



Pre-Approval Field Review Report

Kampala-Jinja Expressway Public Private Partnership project

African Development Bank

Country: Uganda

Environmental and social risk category: I (highest risk)

Total project cost: US \$1.14 billion (US \$800 million for Phase I)

AfDB investment: US \$229.5 million sovereign loan

AfDB board date: October 31, 2018

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This pre-approval field review was co-led by technical specialists in the USAID Bureau for Economic Growth, Education, and Environment's Multilateral Development Bank Team (Alexis Erwin, Victor Bullen) and the Bureau for Africa's Environment Team (Jessica Torrens-Spence) with support from USAID Uganda and other United States federal agencies.

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List of Acronyms

AFD	<i>Agence Française de Développement</i>
AfDB	African Development Bank
BAP	Biodiversity Action Plan
CGMC	Community Grievance Management Committees
CSO	Civil Society Organization
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
GoU	Government of Uganda
GBV	Gender-Based Violence
IFC	International Finance Corporation
KJE	Kampala-Jinja Expressway
KSB	Kampala Southern Bypass
MDB	Multilateral Development Bank
PPP	Public Private Partnership
RAP	Resettlement Action Plan
RFP	Request for Proposals
RLRP	Resettlement and Livelihood Restoration Plan
SEA	Sexual Exploitation and Abuse
ToR	Terms of Reference
UNRA	Uganda National Roads Authority
U.S.	United States
USAID	United States Agency for International Development
TSDP	Transport Sector Development Project of the World Bank

Executive Summary

Consistent with Title XIII of the United States (U.S.) International Financial Institutions Act, the purpose of this United States Agency for International Development (USAID) pre-approval field review is to provide recommendations to strengthen the environmental and social performance of the Kampala-Jinja Expressway (KJE) Public Private Partnership (PPP) project in Uganda.

The project is comprised of an 18-kilometers (km) section of the Kampala Southern Bypass (KSB) and a limited-entry tolled expressway, and will be completed in two phases. Phase 1—the focus of this review—consists of the entire KSB section and the 35-km westerly section of the KJE. Phase 2 consists of the 41-km easterly section of the KJE.

The Uganda National Roads Authority (UNRA), the government implementing ministry, decided to pursue multilateral development bank (MDB) financing for the project; the KJE represents the first toll road PPP in Uganda that is seeking international financing. Phase 1 is being supported by a sovereign loan from the African Development Bank (AfDB) as well as financing from the European Union and the *Agence Française de Développement* and advisory services from the International Finance Corporation (IFC). Phase 2 will follow as a separate project that is likely to seek future financing from one or more MDBs.

This review used desk- and field-based research, including a literature review; more than 40 interviews with project stakeholders and experts; observations within the project's area of influence; and continuous engagement with AfDB management and project staff. The fieldwork, which was conducted July-August of 2018, examined the entire alignment of the KJE, as Phase 2 is effectively an associated facility of Phase 1.

The Government of Uganda (GoU) designated the KJE as part of several national development plans. The project is intended to relieve traffic congestion, improve road safety, and spur economic growth in the region. As such, it will support regional integration between the Port of Mombasa, in Kenya, and the landlocked countries of Uganda, Rwanda, Burundi, and the Democratic Republic of the Congo.

The overall KJE project is planned for a 30-year term, after which project facilities will transfer to UNRA. Combined, Phases 1 and 2 are expected to generate up to 1,500 jobs during construction and 250 jobs during operations, most of which are expected to be filled by Ugandans. Once operational, the KJE is expected to reduce travel time between Kampala and Jinja by approximately 70 minutes.

In consultation with other U.S. federal agencies, USAID, through its Washington-based MDB Team, selected the KJE project to review based on likely significant adverse environmental and social impacts, and because of the occurrence of gender-based violence (GBV) and sexual exploitation and abuse (SEA) in another MDB-financed road project implemented by UNRA.

The AfDB assigned the project to the '1' (highest) environmental risk category. The bank disclosed the Environmental and Social Impact Assessment (ESIA) for the project in June 2018, and updated it in August 2018. The AfDB Board of Executive Directors voted to approve the KJE on October 31, 2018. The United States, informed in part by preliminary findings of this review, abstained from the vote as the project did not meet the U.S. legal requirement for indirect impact assessment.

The review team gratefully acknowledges all those who provided information or support, particularly local communities and staff of AfDB and UNRA.

USAID will distribute this report to the appropriate U.S. congressional committees, project proponents, and other interested parties. In addition, the report is available at no charge on the USAID public website at ecd.usaid.gov/mdb.php.

Findings and Recommendations

Finding 1: Indirect impacts, such as unplanned urbanization during construction or operation, require additional assessment in the Environmental and Social Impact Assessment.

Recommendation:

- a. Normally, scoping defines a project's total (direct and indirect) area of influence, which then serves as the basis for assessing a project's environmental and social impacts and necessary mitigation measures. Because this project's total area of influence is not defined in the August 2018 ESIA, AfDB should insist that the final ESIA assess and propose mitigations for adverse environmental and social impacts outside the project's direct area of influence.

Finding 2: The Biodiversity Action Plan (BAP) underestimates the likely impact on biodiversity and is unclear about the need for a biodiversity offset.

Recommendations:

- a. AfDB should use the project's total area of influence (per Recommendation 1) to reassess adverse impact on critical and natural habitat, and to determine whether there is a need for a biodiversity offset.
- b. If an offset is needed due to residual adverse impact, AfDB should develop a biodiversity management program prior to project implementation and, ideally, commitment of any additional financing.

Finding 3: The project includes diverse ancillary infrastructure, such as labor accommodation camps, quarries, borrow pits, and an asphalt plant. Under the PPP, the location, size, management, and decommissioning of these facilities will be determined by the concessionaire once the contract has been awarded. As of July 2019, the bidding process has started, but the concessionaire has not been selected. As such, the potential environmental and social impacts

of ancillary infrastructure were not (and indeed could not have been) adequately assessed in the August 2018 ESIA.

Recommendations:

- a. Regarding this project, the Request for Proposals from private sector concessionaires should emphasize the need to meaningfully consult stakeholders regarding ancillary infrastructure throughout the life of the project; and assess direct, indirect, and cumulative impacts of ancillary infrastructure in the project's final ESIA and facility-specific ESIA.
- b. Generally, AfDB should encourage borrowers to assess the risks of a project's ancillary infrastructure—including per alternatives and indirect and cumulative impacts—together with assessment of the risks of the project's major components. This should be done prior to commencing operations at the ancillary infrastructure.

Finding 4: Ugandan national and local civil society organizations (CSOs) can play important roles per stakeholder engagement; sensitization; valuation of land, resources, and property; implementation and monitoring of resettlement; and environmental and social safeguard compliance.

Recommendation:

- a. The project should proactively expand the set of CSO service providers (beyond international CSOs) to include Ugandan national and local CSOs that have trusting relationships with, and current, accurate knowledge about, project-affected people.

Finding 5: In part due to familiarity with the cancelled World Bank Transport Sector Development Project (TSDP), diverse stakeholders are aware of, and concerned about, the social risks associated with the KJE project. Relevant GoU ministries are applying to KJE lessons learned from the TSDP. Yet, there is room for improvement in social impact assessment documentation and in the breadth of CSOs involved in social risk sensitization and mitigation.

Recommendations:

- a. AfDB should consider developing a separate Gender-Based Violence (GBV) Action Plan with an emphasis on SEA, which is known to increase around construction projects. Although these risks are covered in various sections throughout the ESIA, a separate document could raise their profile and facilitate implementation of associated mitigations.
- b. Similar to Finding and Recommendation 4, the project should proactively seek to include national and local CSOs (in addition to international CSOs) in the sensitization and mitigation of GBV, SEA, and child labor risks.
- c. Given that UNRA currently is implementing two World Bank-funded projects to prevent and respond to GBV/SEA, UNRA should consider how it might appropriately replicate and scale-up those projects' successes under the KJE.

- d. Diverse stakeholders should proactively support GBV prevention and response in the KJE and other large infrastructure projects by taking actions such as those listed in Annex II.

Finding 6: The lengthy time gap between the demarcation of the KJE right-of-way and the compensation of project-affected people has negatively impacted local livelihoods. UNRA has committed to re-evaluate property in the right-of-way every year until compensation is paid, which is good practice. However, the evaluation methodology does not capture and compensate for income and other adverse impacts to livelihoods that are lost due to demarcation.

Recommendations:

- a. The project should engage affected communities to determine current livelihood priorities and develop an interim development program focused on short-term livelihood restoration.
- b. Regarding agricultural land, the GoU provides a 'disturbance fee' of 15 or 30 percent of the value of a project-affected asset for loss of income due to demarcation. The KJE project should engage the GoU to explore payment of such fees for project-affected farmers.

Finding 7: Prior to construction, the project established numerous Community Grievance Management Committees (CGMCs), which serve as valuable conduits for individuals and communities to seek solutions to project-related concerns. To carry out their duties fully, some CGMCs need additional training, empowerment, and financial support.

Recommendation:

- a. The project should offer CGMGs additional, pre-construction training on their authorities and responsibilities, and a stipend/allowance for operations.

Introduction

Legal Mandate for Review

The United States International Financial Institutions Act directs the federal government to strengthen the environmental and social performance of each multilateral development bank in which the United States is a shareholder: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and the World Bank Group.

Toward this end, USAID leads pre- and post-approval reviews in consultation with the United States Departments of the Treasury and State and other U.S. federal agencies per Section 1303(a)(1) and (3) of Title XIII of the International Financial Institutions Act and Section 7060(c)(7)(E)(i) of Public Law 113-235.

USAID selects projects¹ for pre-approval field reviews that are particularly likely to have significant adverse impacts on the environment, natural resources, public health or indigenous peoples. The purpose of these reviews is to provide recommendations, e.g., about design and mitigation measures, to strengthen the environmental and social performance of MDB projects. Findings and recommendations highlight good practice as well as areas for improvement. If not classified, the information collected during reviews is made available to the public.

Scope of Review

This pre-approval field review is on the Kampala-Jinja Expressway Public Private Partnership project in central Uganda. In consultation with technical staff at other U.S. federal agencies, USAID, through its Washington-based MDB Team, selected this project to review based on the: 1) project's likely impacts on biodiversity and natural habitat in a protected area; and 2) history of gender-based violence and sexual exploitation and abuse associated with another road project² implemented by the same ministry (UNRA) that is implementing the KJE.

Due to the inherent connections between Phases 1 (westerly section) and 2 (easterly section), the review team visited the entire alignment to consider its potential direct, indirect, and cumulative impacts. Findings and recommendations can apply to both phases of the project, but focus on Phase 1 and safeguards associated with AfDB's support of US \$229.5 million to this phase.

Methods

The review team framed its analysis using relevant United States law and previous recommendations about safeguard policy, the AfDB Integrated Safeguard System, and the IFC

¹ Here, "project" is used to indicate any type of MDB investment (e.g., project loans, technical assistance, development policy loans, risk or loan guarantees, and grants) and all phases of the investment cycle, from identification to closure.

² This refers to the World Bank's Transport Sector Development Project (Project Identification Number: P092837) in Uganda.

Performance Standards. It also reviewed scientific literature and technical papers for background information.

Reviewers triangulated methods where practicable by using multiple data and information collection techniques, multiple sources, and multiple reviewers, including Ugandan nationals. Reviewers used well-established non-probability sampling techniques including purposeful, snowball, deviant case, and convenience sampling.³ Sampling aimed to understand a diversity of stakeholder perspectives and identify common themes. Sampling did not aim to generalize these themes to the population. When possible, reviewers verified information through multiple sources.

Analysts used the following information collection techniques:

- Identification and analysis of project documents, AfDB and IFC safeguard policies, documents from related MDB road projects, technical literature, and peer-reviewed scientific literature;
- Semi-structured interviews with subject-matter experts;
- Semi-structured and open-ended interviews with interested and affected people and organizations (see below and Annex A);
- Biophysical and social observations in Kampala, Jinja, and intermediate points; and
- In-person and electronic engagement with AfDB management and project staff.

In the months before, and the weeks during, the July-August 2018 field review, reviewers conducted more than 40 consultations to gain context and solicit project-related information.

As detailed in Annex A, consultations were held with the following groups:

- AfDB staff focused on transport, including the project's Task Team Leads;
- AfDB staff focused on safeguard implementation, including an Environmental Specialist;
- Other project proponents from the World Bank and IFC;
- UNRA staff, including senior management and technical staff;
- Representatives from relevant ministries of the Government of Uganda at the national and local levels;
- Interested or affected organizations, such as international and national civil society organizations and local private businesses; and
- Interested or potentially affected people, such as residents, land and resource users, and leaders from communities in and around the entire alignment, from Kampala to Jinja.

The July-August 2018 field review included visits to:

- Capital city of Kampala;
- Towns of Mukono, Mbalala, Namagunga, Lugazi, and Jinja;

³ Non-probability sampling does not aim to select a predetermined sample of cases that are representative of a larger population. Instead, non-probability sampling often gradually selects cases based on characteristics of the cases and emergent themes. Purposeful sampling explores cases that fit particular criteria, using various methods. Snowball sampling explores cases using referrals from one or a few cases, then referrals from those cases, and so forth. Deviant case sampling explores cases that substantially differ from the dominant pattern. Convenience sampling explores any case in any manner that is convenient. Neuman, L.W. (2016) *Social Science Research Methods: Qualitative and Quantitative Approaches*, Seventh Edition. Essex, England.

- Other locations directly along the project alignment;
- Forests and wetlands in the project area of influence; and
- Communities of potentially project-affected people.

The review team followed cultural norms in engaging local people and were sensitive to the team's influence on potentially affected communities' perceptions of the project and its potential positive and negative impacts. The review team was comprised of the following technical specialists:

- Lead: Alexis Erwin, USAID MDB Team, ecology and environmental compliance
- Victor Bullen, USAID MDB Team, impact assessment and protected area management
- Jessica Torrens-Spence, USAID Africa Bureau, biodiversity conservation
- Jessica Okui, USAID Uganda Mission, environmental compliance
- Henry Mateega, USAID Uganda Mission, engineering
- Geetha Ramani, U.S. Department of the Treasury, MDB project evaluation
- Beeta Ehdaie, U.S. Department of State, engineering and MDB project evaluation

Additional U.S. government technical specialists—in biodiversity; human dimensions of natural resource management; land tenure and resettlement; and gender equality and gender-based violence—provided input.

The desk-based portion of this review was limited to publicly disclosed project documents. The primary document under review, the project ESIA, was being updated during the review team's visit to Uganda and was published after the team's return.

The project continues to advance as UNRA works with development partners to secure financing for the private sector component of the PPP.⁴ Accordingly, the environmental and social analyses and mitigation measures may change.

Country Context

Transport Sector

Vision 2040, the GoU's key long-term planning document, identifies Jinja as one of five Strategic Towns and the KJE as one of five expressways that are critical to the country's economic development. The KJE is expected to be the first of these expressways to be constructed as a PPP, so the standards for it will influence the other expressways. As the August 2018 ESIA notes, "If implemented successfully this project could set a benchmark for the environmental and social management of future major road developments in Uganda and other parts of Africa."⁵

⁴ As of July 2019, four companies have been short-listed for selection in the bidding. Three of these companies are Chinese.

⁵ KJE PPP Project Phase I Environmental and Social Impact Assessment, Volume A, Executive Summary, page 30. Dated August 2018. Available at: https://esa.afdb.org/sites/default/files/KJEXPI775_PhI%20ESIA%20Executive%20Summary_Rev2.pdf.

Prior to its responsibilities per the KJE, UNRA was responsible for implementing the TSDP. The TSDP was cancelled in 2016 after a World Bank Inspection Panel report indicated, and World Bank management concurred, that project laborers had sexually assaulted and exploited women and girls in local communities. World Bank project lending to the Ugandan road sector was suspended while the bank developed guidance on addressing temporary project-induced labor influx⁶ and convened a Gender-Based Violence Task Force, whose recommendations led to the creation of the November 2017 Action Plan for Implementation⁷. As noted earlier, it is the first toll road project that is receiving MDB financing to support a PPP in Uganda.

Much has changed about UNRA in recent years. There were two environmental and social specialists on staff at the time UNRA implemented the TSDP. As part of UNRA's response to that project, a new Department of Environmental and Social Safeguards was formed; as of July 2019, it is staffed with 43 environmental and social specialists. Some now consider UNRA to be a leader within the GoU—and even relative to other African governments—on gender-based issues. Technical staff of another African national road ministry visited UNRA on study tour in early 2019.

This reorganization and increase in impact assessment capacity at UNRA come amid a broader reorganization of the GoU. In late 2018, the GoU announced that UNRA will be reorganized under the Ministry of Public Works. AfDB recognizes that close supervision of UNRA's implementation of the KJE project may not occur if UNRA's structure and funding change. Thus, AfDB management has committed to inform its Board of Executive Directors about any changes to UNRA's role in implementing the project. Moreover, management has included a condition to suspend the loan if the UNRA Act is repealed as a result of the GoU reorganization.

Natural Environment

The project will be implemented in south-central Uganda (see Figure 1), which is generally heavily modified by human settlement. However, the proposed right-of-way is expected to impact some sensitive habitat and species of concern. First, the right-of-way intersects the Namanve Central Forest Reserve for approximately 2.5 km, likely resulting in disturbance to some 65 ha of the reserve, including approximately 22 ha of relatively high-quality papyrus wetland⁸. Around the edges of the wetland, sand mining and brickmaking commonly take place. Second, the Mabira Central Forest Reserve and buffer zone are located approximately two kilometers north of the right-of-way. This protected area is the largest-remaining stand of semi-deciduous forest in central Uganda and is critical habitat for several threatened species⁹, including the endemic Uganda mangabey (*Lophocebus ugandae*). The availability of data on the

⁶ *Managing the Risks of Adverse Impacts from Temporary Project Induced Labor Influx*. Dated December 1, 2016. Available at: <http://pubdocs.worldbank.org/en/497851495202591233/Managing-Risk-of-Adverse-impact-from-project-labor-influx.pdf>.

⁷ *Global Gender-Based Violence Task Force: Action Plan for Implementation*. Dated November 8, 2017. Available at: <http://pubdocs.worldbank.org/en/468801510165524383/Gender-Based-Violence-Task-Force-Action-Plan.pdf>.

⁸ KJE PPP Project Phase 1 *Environmental and Social Impact Assessment, Volume A, Executive Summary*, page 21. See link in footnote 5.

⁹ *European Association of Zoos and Aquariums Mangabey Best Practice Guidelines*. Dated November 2018. Available at: <https://www.eaza.net/assets/Uploads/CCC/BPG-2019/EAZA-BPG-Mangabey-2.pdf>. Note: The Uganda mangabey is Uganda's only endemic primate. It lives in forests along the northern shores of Lake Victoria, including near Mabira Forest. IUCN determined this species' conservation status to be Vulnerable.

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Project Overview

The Government of Uganda expects the project to help meet the objectives of regional integration, socioeconomic development, and in the National Development Plan II, and objectives of the KJE project are to:

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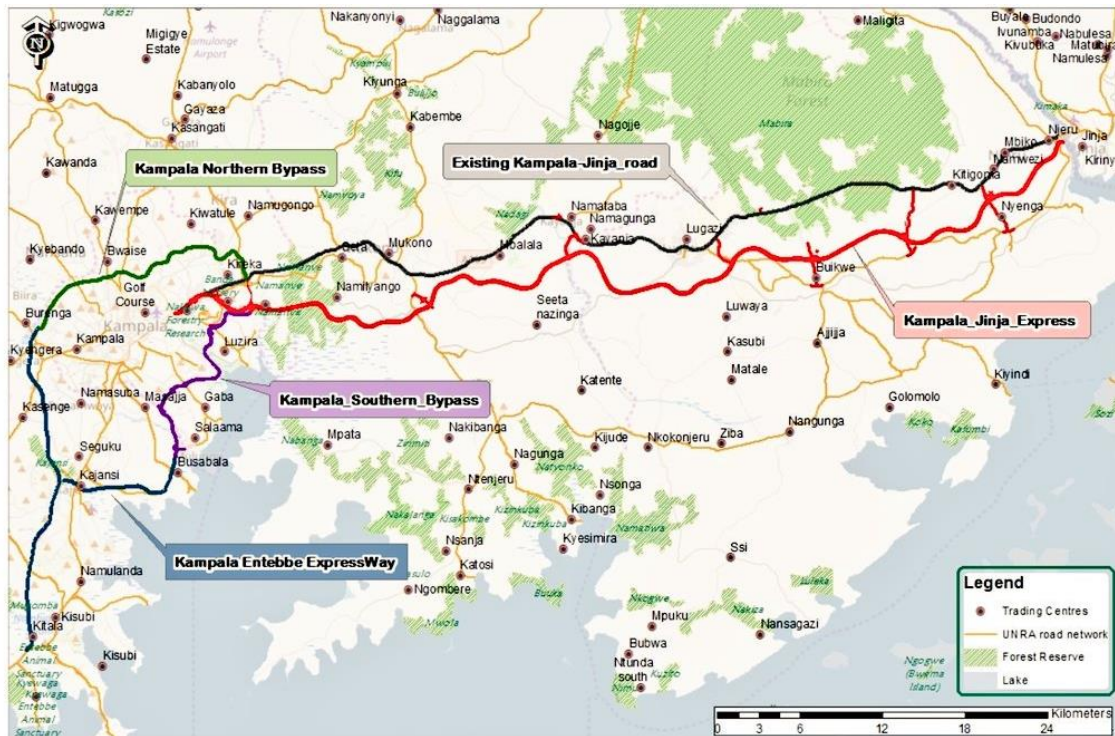


Figure 2: Map of the existing Kampala-Jinja road (black line) and proposed Kampala-Jinja Expressway (red line). Credit: UNRA.

centers, reducing costs and allowing the decentralization of business away from Kampala.

- Alleviate traffic congestion around Kampala – The current capitol road network consists of radial roads that connect downtown Kampala with outlying suburbs; there are few roads for efficient lateral flow. The KJE project will complete the ring road around Kampala and provide a high-quality corridor out of the city for east-to-west flow.

Expected Benefits

The project is expected to provide a variety of benefits to road users, local communities, the government, and investors. First, the project is expected to improve road conditions, including by lowering travel costs, reducing accidents, and making the journey time more predictable and shorter: the project will reduce travel time between Kampala and Jinja by up to 70 minutes. Next, the project likely will spur economic growth, in part through new employment opportunities. Both phases combined are expected to generate up to 1,500 jobs during construction and 250 jobs during operations, most of which are expected to be filled by Ugandans. KJE will also support government revenue through toll road fees and taxes. Improved transport infrastructure is thought to enhance the enabling environment for future investment.

Design

The alignment is proposed to stretch for 76-km from Kampala in the west to Jinja in the east (see Figure 1). The project will also include an 18-km stretch of the KSB, the southern section of the Kampala Ring Road. Phase I of the project includes the 18-km portion of the KSB and

the western extent of the KJE, stretching 35-km from Kampala to Namagunga. Phase 2, to be considered later under separate financing, will constitute the 41-km eastern extent, from Namagunga to Jinja.

The project is a 30-year, design, build, finance, operate, and transfer model, inclusive of the construction period, after which the project facilities will be transferred back to UNRA. The GoU sets the toll rates and the private operator collects tolls and transfers them to the GoU. In return, GoU pays the operator a fixed fee subject to the expressway meeting agreed output specification and operational standards.¹²

The right-of-way consists of the main road body from one embankment to another, associated infrastructure including junctions, slip roads, and bridges, as well as a road reserve on either side of the expressway. The width of the right-of-way varies along the alignment from 45-90 meters. The ancillary infrastructure is water supply sites; construction material supply sites, including borrow pits and quarries; accommodation camps; and an asphalt plant.

Planning and Environmental and Social Impact Assessment

The structure of the project has changed over its nearly decade-long development. The project was initially two different projects: the Kampala-Jinja Mainline and the Kampala Southern Bypass. These projects were developed in 2009 and feasibility and detailed design studies were undertaken in 2010. Scoping for the ESIA for both projects was undertaken in 2011 and the ESIA terms of reference (ToR) were approved by the Uganda National Environment Management Authority in 2012. Initial feasibility studies of the KJE Mainline and KSB projects were undertaken in 2014 and 2015, followed by separate ESIA and Resettlement Action Plans (RAPs) for each component. However, before these were approved, UNRA divided the KJE Mainline into two phases and merged Phase I of the KJE project with the KSB.

Contemporaneously, UNRA decided to seek international finance, requiring the existing ESIA and RAP to be updated to meet international safeguard standards. As a result, further scoping for the ESIA was conducted between September 2016 and April 2017, and the ToR for the revised ESIA was approved by the Uganda National Environment Management Authority in 2018.

Findings and Recommendations

These findings and recommendations are based on a review team visit in July-August 2018 to the KJE project area and limited desk-based follow-up. They are intended to assist AfDB and UNRA in further strengthening the environmental and social performance of the project. USAID encourages project sponsors and other stakeholders to consider the findings and recommendations broadly and to seek opportunities to learn from Phase I and apply lessons to the design—and, especially, the assessment of indirect and cumulative impacts—of Phase 2.

¹² KJE Project Brief. Undated. Available at: <https://www.unra.go.ug/en/kampala-jinja-expressway>.

Finding 1: Indirect impacts, such as unplanned urbanization during construction or operation, require additional assessment in the Environmental and Social Impact Assessment.

The international safeguards applicable to the project—the AfDB Integrated Safeguard System and the IFC Performance Standards—require that the ESIA define the project area of influence and assess the project’s indirect impacts. For example, IFC Performance Standard 1 on Assessment and Management of Environmental and Social Risks and Impacts states that:

“Where the project involves specifically identified physical elements, aspects, and facilities that are likely to generate impacts, environmental and social risks and impacts will be identified in the context of the project’s area of influence. This area of influence encompasses, as appropriate, the area likely to be affected by: (i) the project¹³ and the client’s activities and facilities that are directly owned, operated or managed (including by contractors) and that are a component of the project;¹⁴ (ii) impacts from unplanned but predictable developments caused by the project that may occur later or at a different location; or (iii) indirect project impacts on biodiversity or on ecosystem services upon which Affected Communities’ livelihoods are dependent.”

Despite these requirements, the ESIA focuses on the project footprint and direct impacts therein. It does not define the project’s total area of influence nor adequately assess indirect impacts, especially those on forest habitat.

Section 3.2.2 of the ESIA, entitled *Area of Influence*, contains little information and simply states that the area of influence will vary depending on the specific environmental and social aspects being considered. Elsewhere in the ESIA, the area of influence is only briefly mentioned as being useful in determining indirect impacts on ecosystem services from wetlands and per land acquisition in urban areas.

Consultations along the alignment revealed that some stakeholders, e.g., health service providers in Jinja, public and private eco-tourism providers around the Mabira Central Forest Reserve, and tea plantation owners, anticipate indirect social impacts. Stakeholders foresee a need for increased services to respond to road accidents during construction and increased prevalence of communicable diseases—and noted that indirect social impacts may extend to areas well beyond the road alignment.

Defining the project’s total area of influence could impact the need for, and design of, measures to mitigate indirect environmental impacts as well. The ESIA indicates that the predictable urbanization during construction, and especially during operation, is likely to impact the ecological integrity of the surrounding area. Various chapters characterize the indirect impacts from urbanization as ranging from “minor” to “severe.” Chapter 21 on Cumulative Impacts, for

¹³ Examples include the project’s sites, the immediate airshed and watershed, or transport corridors.

¹⁴ Examples include power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow and disposal areas, construction camps, and contaminated land, e.g., soil, groundwater, surface water, and sediments.

example, notes that “increases in urbanization, if inappropriately managed, may lead to severe environmental impacts such as accelerated degradation of wetlands surrounding Kampala which support a range of biodiversity and provide important ecosystem services.”¹⁵ However, associated tables of mitigation measures mostly describe the magnitude of urbanization as only minor. Without defining the project’s total area of influence, it is very difficult to estimate the full scope of induced urbanization and other indirect social and environmental impacts and, therefore, to plan appropriate mitigation measures.

Recommendation:

- a. Normally, scoping defines a project’s total (direct and indirect) area of influence, which then serves as the basis for assessing a project’s environmental and social impacts and necessary mitigation measures. Because this project’s total area of influence is not defined in the August 2018 ESIA, AfDB should insist that the final ESIA assess and propose mitigations for adverse environmental and social impacts outside the project’s direct area of influence.

AfDB staff comment:

“ESIA-Environmental and Social Management Plan (ESMP) is currently non-compliant with IFC Performance Standards, and this is an issue for AfDB and the AFD.

AFD will launch the consultancies, as per the ToR letter dated May 14th, 2019, to strengthen the Project ESIA documentation as agreed with all parties and the results of the consultancies will be shared with all parties. IFC and AfDB shall review before the 15th of June the ToR proposed by AFD.

It is agreed that AFD shall guide the consultant to focus on the issues not yet addressed as per the Interim Request for Proposals (RFP). The updated baseline data shall be used to improve the quality of the environmental and social documents to match the environmental and social due diligence requirements and close the gaps with IFC’s standards.

In the spirit of the AfDB Integrated Safeguard System which mandates the responsibility for ESIA studies on the client, the AfDB will work with UNRA on the aspect of definition of project total area of influence which shall enable UNRA to integrate this in the updates of the ESIA reports.”

UNRA staff comment:

“The project’s total area of influence can best be defined when developing the detailed design, and when the project activities are well defined. In a PPP project where the concessionaire is required to develop the design, it is best that the area of influence is defined at that stage. However, AfDB will be involved throughout the process this requirement will be fulfilled before the final ESIS is presented for approval and before

¹⁵ KJE PPP Project Phase I Environmental and Social Impact Assessment, Cumulative Impact Assessment, page 21.

implementation. Some of the anticipated impacts have been mitigated by the proposal for a corridor development plan that is to be prepared to guide developments along the project. This plan will ensure negative impacts are mitigated.”

USAID response to AfDB and UNRA staff comments:

USAID appreciates AfDB’s plan to address deficiencies highlighted in this review, and welcomes the proposed corridor development plan mentioned by UNRA. USAID also emphasizes the need to define the project area of influence in advance and modify it during detailed design, as appropriate.

Finding 2: The Biodiversity Action Plan (BAP) underestimates the likely impact on biodiversity and is unclear about the need for a biodiversity offset.

The BAP describes the project’s commitment to the mitigation hierarchy and good evidence exists that the project worked to avoid and minimize biodiversity impacts. Examples include rerouting the right-of-way to avoid passing through the Mabira Central Forest Reserve and building viaducts where the right-of-way passes through wetlands. Despite these avoidance efforts, the BAP acknowledges a likely need for a biodiversity offset to compensate for residual impacts to endangered and critically endangered bird species, including the grey crowned crane (*Balearica regulorum*), grey parrot (*Psittacus erithacus*), and hooded vulture (*Necrosyrtes monachus*). Per the BAP,

“The Project is committed to best practice and avoiding, minimizing and restoring impacts on biodiversity. However, it is recognized that even with the implementation of best practice management measures, the Project will have an impact on biodiversity values including Critical Habitat-qualifying species. Consequently, to meet international standards, UNRA will need to implement a Biodiversity Offset Strategy to compensate for Project associated impacts after all previous steps of the mitigation hierarchy have been considered and no alternatives are available. The primary objective of biodiversity offsetting for the Project will be to achieve a ‘net gain’ for areas of Critical Habitat potentially affected by the Project.”¹⁶

However, the BAP does not specifically address offset location, sustainability, or other relevant dimensions of its design. Furthermore, by restricting the calculation of the area of influence to the right-of-way only, the BAP underestimates the amount of critical habitat and other natural areas that will be impacted.

Various reports on this project, including the AfDB’s KJE Project Appraisal Report Technical Annexes (October 2018) and the Phase I ESIA and its BAP, base the area of biodiversity impact of the project solely on the project footprint, which is restricted to the project’s right-of-way and immediately adjacent areas serving as construction buffers.

¹⁶ KJE PPP Project Phase I Environmental and Social Impact Assessment, Volume D, Biodiversity Action Plan. See link in footnote 5.

AfDB Operational Safeguards require that the ESIA covers all relevant direct and indirect environmental and social risks and impacts in an integrated way. This requirement is similar to that of the IFC Performance Standard 6, which states the ESIA should consider direct and project-related impacts on biodiversity and ecosystem services and identify any significant residual impacts such as unplanned urbanization. In addition, AfDB Operational Safeguards require that the project's area of influence encompass the area likely to be directly affected by the project; associated facilities dependent on the project; and areas, including the communities within them, potentially affected by unplanned but predictable activities likely to be induced by the project. Furthermore, AfDB Operational Safeguards require that the ESIA identify areas of biodiversity and conservation value within the project's area of influence.

By focusing the biodiversity analysis and action plan solely on the right-of-way, the ESIA is not consistent with AfDB Operational Safeguards. First, using the project footprint as the basis for analysis does not meet the AfDB's own definition of the project's area of influence. Second, the ESIA analysis of critical habitat loss is based only on right-of-way losses and does not also analyze losses due to indirect impacts. For example, "Clearance will result in the loss of approximately 106.2 ha of wetland ... 20.3 ha of forest ... and 3.6 ha of aquatic habitats within the right-of-way ... [and] a large area of settlements including urban areas will be lost due to the Project (totaling approximately 120.0 ha)"¹⁷ does not consider losses due to indirect impacts. USAID understands from UNRA staff that: viaducts are proposed for all areas where the road will cross wetlands; the road will be fenced, with no links provided in wetlands; and "no forest cover is being lost, save for land that had been gazetted as forest but has since changed use to settlement." However, these proposals are not captured in public project documents. Third, Section 5.2.1.1 on Direct Habitat Loss¹⁸ limits the calculation of habitat loss to the clearance of the right-of-way of the KJE without making an attempt to include the potential significant loss of habitat due to urbanization in proximity to the new road corridor. In addition, habitat loss due to invasive species, hydrological obstruction and sedimentation, reduced air quality, and increased noise and vibration should be taken into account. All of these factors should be used when calculating the potential loss of habitat.

Indirect and cumulative impacts of clearance of the right-of-way, especially those associated with urbanization, will likely be more severe than direct impacts. The ESIA Technical Annex does mention on page 59 the potential for indirect impact on critical habitat and ecosystem services: "The Project will lead to a loss of natural habitats (including areas of wetland and forest) but a more severe risk to ecosystems services are represented by the potential indirect loss of habitat due to urbanization promoted by the improved transportation network."¹⁹ However, as the ESIA has not defined the project's total area of influence nor quantified indirect or cumulative impacts, the proposed mitigations, which focus on direct impacts, are insufficient.

¹⁷ Ibid, page 68.

¹⁸ Ibid, pages 5-68.

¹⁹ KJE PPP Project Phase I Environmental and Social Impact Assessment, Technical Annexes, page 59.

The BAP recommends a biodiversity offset strategy and approach, including offset activities for the protection and enhancement of critical habitat for the grey crowned crane habitat, grey parrot, and aquatic habitat, as well as supporting conservation actions. The strategy appears sound. Nonetheless, the magnitude of the activities will need to be adjusted based on a comprehensive analysis of indirect impacts, as mentioned above.

Recommendations:

- a. AfDB should use the project's total area of influence (per Recommendation I) to reassess adverse impact on critical and natural habitat, and to determine whether there is a need for a biodiversity offset.
- b. If an offset is needed due to residual adverse impact, AfDB should develop a biodiversity management program prior to project implementation and, ideally, commitment of any additional financing.

AfDB staff comment:

"The review of the previous Biodiversity Assessment and BAP prepared by a consultant procured by UNRA have nailed out some inconsistencies in the list of threatened birds. The report is already completed but contractual disagreements between UNRA and the consultant have blocked its disclosure. UNRA confirmed it is close to resolve the issue. BAP undertaken so far demonstrated the need for offsetting as a mitigation measure. It is therefore recommended that controls provisions be in place within the RFP to restrict the scope of design changes in those areas.

Action

UNRA to find an agreement with the Consultant and complete the ongoing Biodiversity Assessment in order to ascertain whether the need for Biodiversity Offsetting is the most preferred and pragmatic mitigation measure in line with the Hierarchy of Mitigation."

USAID response to AfDB staff comment:

USAID commends AfDB for taking action to ensure that the project follows the mitigation hierarchy. Further, USAID emphasizes its recommendation that the project assess mitigations for adverse impacts on biodiversity and determine whether an offset is necessary based on the project's total area of influence—not the project footprint.

Finding 3: The project includes diverse ancillary infrastructure, such as labor accommodation camps, quarries, borrow pits, and an asphalt plant. Under the PPP, the location, size, management, and decommissioning of these facilities will be determined by the concessionaire once the contract has been awarded. As of July 2019, the bidding process has started, but the concessionaire has not been selected. As such, the potential environmental and social impacts of ancillary infrastructure were not (and indeed could not have been) adequately assessed in the August 2018 ESIA.

The KJE project is structured as a PPP between the GoU and a concessionaire that will be selected through a competitive bidding process. A preliminary design has been developed from a combination of desk-based research and field-based feasibility studies. The final design, including per ancillary infrastructure, will be determined by the concessionaire.

The ESIA states that all project infrastructure will be developed and implemented in accordance with AfDB Operational Safeguards and the IFC General Environmental Health and Safety Guidelines. Further, the IFC Environmental Health and Safety Guidelines for Construction Materials Extraction will be applied to quarries and borrow pits. In addition to meeting MDB requirements, per Ugandan law, the concessionaire must obtain clearance (of the final ESIA, associated ESMPs, project briefs, etc.) from the Uganda National Environment Management Agency prior to operating any ancillary infrastructure.

The Stakeholder Engagement Plan documents discussions between 2016 and 2018, including discussions during which government stakeholders inquired whether the ESIA would consider ancillary infrastructure; KJE project staff answered that ancillary infrastructure would be considered in detail and documented in the ESIA.

The ESIA includes proposed locations for some types of ancillary infrastructure, such as water supply sites and construction material supply sites, including borrow pits and quarries. Locations for other types of ancillary infrastructure, such as labor accommodation camps and an asphalt plant, were not proposed in the document. Moreover, there is no documentation of detailed consideration of ancillary facilities. Similarly, although project staff indicated that decommissioning of ancillary infrastructure would be covered in the ESIA, there is no detailed discussion of this. However, project staff note that decommissioning plans will be required in subsequent facility-specific ESIA. Finally, the Stakeholder Engagement Plan states a need for ongoing engagement with stakeholders, yet it is not clear whether and when consultations related to the location, size, management, or decommissioning of ancillary infrastructure will take place.

Recommendations:

- a. Regarding this project, the Request for Proposals from private sector concessionaires should emphasize the need to meaningfully consult stakeholders regarding ancillary infrastructure throughout the life of the project; and assess direct, indirect, and cumulative impacts of ancillary infrastructure in the project's final ESIA and facility-specific ESIA.
- b. Generally, AfDB should encourage borrowers to assess the risks of a project's ancillary infrastructure—including per alternatives and indirect and cumulative impacts—together with assessment of the risks of the project's major components. This should be done prior to commencing operations at the ancillary infrastructure.

AfDB staff comment:

"IFC is currently working on the Interim RFP to include technical requirements addressing environmental and social issues, amongst others:

- A revised ESMP which describes roles and responsibilities of all actors and provides (a) full details for all commitments / measures which are the responsibility of UNRA, and (b) rationale and objectives (results to be achieved, thresholds not to be exceeded, etc.) which are the responsibility of the Concessionaire;
- Clarifications in the RFP of the environmental and social supervisory and penalties' regime;
- Comprehensive consistency between ESIA-ESMP and the RFP. The RFP shall not be redundant with ESIA-ESMP, but rather refer to ESIA-ESMP for all actions under the Concessionaire's responsibility.

It is normal practice to require implementing entities to develop implementation-phase and site specific ESMPs once such entities have been identified. Therefore, once the private partner has been identified, the AfDB will work with UNRA to ensure that the private partner develops the site specific ESMPs on any ancillary facilities related to project implementation before such facilities can be used."

USAID response to AfDB staff comment:

USAID finds this response encouraging. Nonetheless, it does not address the need to update the ESIA, including its sections on indirect and cumulative impacts, based on site-specific activities of the private partner (i.e., concessionaire).

Finding 4: Ugandan national and local CSOs can play important roles per stakeholder engagement; sensitization; valuation of land, resources, and property; implementation and monitoring of resettlement; and environmental and social safeguard compliance.

The KJE alignment is anticipated to have significant social impact in urban Kampala where the proposed alignment runs through wetlands that are home to informal and low-income communities, including the Kasokoso and Kinawataka neighborhoods. The Resettlement and Livelihood Restoration Plan (RLRP) estimates that approximately 65 percent of impacted households are situated in these informal settlements in urban slums, while 23 percent of impacted households are in formal settlements (with land titles) along the KSB portion of the project (Section 6.2.12). Further away from the city, the KJE alignment will impact rural communities that use the land for livelihood purposes, ranging from growing crops to brickmaking.

CSOs can play a critical role in project implementation by ensuring that communities are aware of their rights and opportunities under the project, and by facilitating dialogue and grievance resolution between communities and project implementing agencies.

UNRA has proactively recognized the role that CSOs can play and has identified several CSOs to involve in project implementation, including Cities Alliance and Slum Dwellers International (SDI). Cities Alliance is a global partnership to tackle urbanization challenges and encourage more sustainable cities. SDI is a non-governmental organization working in Kampala to

formalize informal settlements and improve housing. UNRA has formally partnered with these two entities to assist in developing alternative housing options for those communities that will need to be physically relocated.

Consultations in the project area of influence revealed that some communities want *local* CSOs to be involved based on a sense that such organizations will better understand and act upon local community concerns. Local CSOs are quite familiar with the communities, potentially yielding more effective dialogue to resolve grievances than would be possible with ‘outside’ entities, whether they be international or Kampala-based CSOs. Moreover, key CSOs working on women’s rights and preventing child labor are cognizant of the risks of such a large project and advocate for more local engagement to mitigate risks.

Recommendation:

- a. The project should proactively expand the set of CSO service providers (beyond international CSOs) to include Ugandan national and local CSOs that have trusting relationships with, and current, accurate knowledge about, project-affected people.

AfDB staff comment:

“Satisfactory progress hasn’t been made by UNRA in the preparation and identification of the host areas of the Livelihood Restoration Programs (LRP) and the program components themselves. The Banks have suggested UNRA to make use of the consultation sessions with communities in the right-of-way and project-affected people to collect needs and priorities so to propose livelihood restoration activities and programs before the end of the Resettlement Action Plan’s implementation. UNRA was also invited to strengthen the socio-economic baseline data for Kasokoso and Kinawataka so to use them in the planning and design of LRP. Extending the set of service providers beyond the international CSOs to local ones should be [done].”

UNRA staff comment:

“UNRA is now working with local NGOs such as National Slums Federation of Uganda, ACTOGETHER Uganda, Platform for Vendors’ Association in Uganda, Women in Informal Employment: Globalizing and Organizing.”

USAID response to AfDB and UNRA staff comments:

USAID commends AfDB and UNRA for extending the project’s set of service providers to include national and local CSOs.

Finding 5: In part due to familiarity with the cancelled TSDP, diverse stakeholders are aware of, and concerned about, the social risks associated with the KJE project. Relevant GoU ministries are applying to KJE lessons learned from the TSDP. Yet, there is room for improvement in social impact assessment documentation and in the breadth of CSOs involved in social risk sensitization and mitigation.

The review team's consultations in Uganda revealed broad awareness of, and concerns about, social risks of large infrastructure projects, particularly GBV, SEA, and child labor.

Spurred by lessons from the TSDP project, the GoU has demonstrated improvement in managing such risks in the KJE project. The World Bank's Guidance Note on temporary project-induced labor influx and the Gender-Based Violence Task Force's recommendations are the most comprehensive guidance available for MDBs on GBV, SEA, and child labor. It is evident from the project's ESIA and Stakeholder Engagement Plan that UNRA has taken note of this guidance and has prioritized GBV risk mitigation, monitoring and reporting; stakeholder engagement, with a focus on vulnerable and marginalized groups; and the impact of the influx of foreign and migrant workers. Moreover, the Ministry of Gender acknowledged increased focus on these issues (post TSDP) and that it is now working with UNRA to provide sensitization training so that concessionaires manage their interactions with project-affected communities appropriately.

Consultations revealed that local CSOs are interested in engaging in social risk sensitization and mitigation. Their involvement could support project-related social conflict resolution by helping to ensure that communities are aware of their rights and know how to file complaints and seek redress, as needed.

Recommendations:

- a. AfDB should consider developing a separate Gender-Based Violence (GBV) Action Plan with an emphasis on SEA, which is known to increase around construction projects. Although these risks are covered in various sections throughout the ESIA, a separate document could raise their profile and facilitate implementation of associated mitigations.
- b. Similar to Finding and Recommendation 4, the project should proactively seek to include national and local CSOs (in addition to international CSOs) in the sensitization and mitigation of GBV, SEA, and child labor risks.
- c. Given that UNRA currently is implementing two World Bank-funded projects to prevent and respond to GBV/SEA, UNRA should consider how it might appropriately replicate and scale-up those projects' successes under the KJE.
- d. Diverse stakeholders should proactively support GBV prevention and response in the KJE and other large infrastructure projects by taking actions such as those listed in Annex II.

AfDB staff comment:

"Following the May 28 mission, technical assistance has been secured to offer flexibility and responsiveness to mobilize consultants to improve the project documentation, to support UNRA and IFC as they are facing difficulties to complete the documentation according to the international standards as committed by GoU, to allow UNRA to meet AFD's Conditions Precedent as soon as possible and for AFD to report to both its Board and the European Union."

UNRA staff comment:

“The Request for Proposal documents have strong specifications relating to Environment and Social and include development of a GBV Action Plan. The implementation of such a plan will be monitored by AfDB among other partners. The concessionaire will be required to engage an NGO to manage all social risks associated with the project, including GBV, violence against children and all forms of sexual exploitation.”

USAID response to AfDB and UNRA staff comments:

USAID commends AfDB for helping to secure technical assistance for improving project documentation to meet international standards and Conditions Precedent. USAID commends UNRA for taking up its recommendation to develop a Gender-Based Violence Action Plan and otherwise include GBV and SEA considerations throughout the project cycle to prevent and respond to these violations.

Finding 6: The lengthy time gap between the demarcation of the KJE right-of-way and the compensation of project-affected people has negatively impacted local livelihoods. UNRA has committed to re-evaluate property in the right-of-way every year until compensation is paid, which is good practice. However, the evaluation methodology does not capture and compensate for income and other adverse impacts to livelihoods that are lost due to demarcation.

The KJE project will physically or economically displace nearly 30,000 people; this includes approximately 6,177 households, according to the RLRP. Approximately 9,000 people will be physically displaced, and the rest will be economically displaced.

UNRA’s particular attention to the needs of socially and economically vulnerable groups—including those without legal land titles, female-headed households, and the elderly and disabled—is in accordance with international good practice. UNRA carried out significant public participation and consultation activities with a variety of stakeholders in preparing the RLRP and conducted a detailed baseline census of project-affected people.

Demarcation of certain stretches of the Phase I right-of-way began as early as 2015. Because of changes in the design and the need to update the ESIA in 2018 to meet international standards, there has been a considerable time lag between demarcation and compensation and relocation.

The project has taken steps to reduce the time lag by dividing each Phase of the project into volumes, with Phase I covering volumes one through eight. Evaluation and compensation will be undertaken progressively, which, AfDB staff explained, “allows people in other [later volumes] to continue with their business undeterred.” Further, UNRA staff noted that this has greatly reduced the negative impact on livelihoods.

The review team's consultations along the right-of-way revealed that the time lag has negatively impacted landowners. In one example, in the Kibiri A community, the 2015 demarcation of the KSB resulted in many parents withdrawing their children from enrollment in a school in the right-of-way, even though demolition would not take place for several years. Disenrollment yielded lower school fees, thereby reducing the school's financial resources.

GoU evaluation and compensation methodology require consideration of past loss of business. So, schools can expect to be compensated for income lost between demarcation and relocation. UNRA reports having considered past loss of business due to "the fact that they have suffered loss due to disenrollment and will continue to suffer during their time of reestablishment. The expected net incomes of the schools have been projected for 3-5 years depending on the level of establishment of the respective school. Despite the fact that the usual notice period given to PAPs to relocate is six months, the schools are given a full academic year to relocate upon receipt of compensation. This is meant to prepare both the school and the communities using this school to adequately prepare for relocation. Assessment is being carried out for other categories of PAPs to establish to establish the particular circumstances of each and required livelihood restoration measures."

Other project-affected people reported additional cases of income lost in the years since demarcation. Specifically, homeowners in the right-of-way complained that they could not rent rooms in their houses because potential tenants were deterred by the future (but unspecified) destruction of the property. UNRA staff report engaging with landlords, tenants, and community leaders to explain the timing of relocation. Project-affected homeowners have six months following receipt of compensation in which to leave the right-of-way. To enable tenants to save for the transition, they are allowed to stay on the premises without paying rent for three months following notice and payment of compensation.

Recommendations:

- a. The project should engage affected communities to determine current livelihood priorities and develop an interim development program focused on short-term livelihood restoration.
- b. Regarding agricultural land, the GoU provides a 'disturbance fee' of 15 or 30 percent of the value of a project-affected asset for loss of income due to demarcation. The KJE project should engage the GoU to explore payment of such fees for project-affected farmers.

AfDB staff comment:

"The Bank reminded Government that the AfDB loan included \$29.5 million related to institutional support, development of a corridor plan to attract private investments and livelihoods improvement for the communities affected by the Project which is in addition to the \$200M as Viability Gap Funding support to the Road Concession. The Bank noted that presentations made by UNRA and IFC on the Project failed to showcase the Bank's additional support in this area and this would need to be corrected

to ensure that the Bank's lead role and support for the KJE is adequately presented to all stakeholders.

Government acknowledged the support of the Bank and agreed to provide a more elaborate presentation of the Bank's support to KJE."

UNRA staff comment:

"The project team is collecting additional socio-economic baseline information, which will inform preparation of implementable RAPs, LRPS and any other complimentary activities."

USAID response to AfDB and UNRA staff comments:

USAID urges AfDB and UNRA to address current and ongoing adverse impacts on livelihoods due to demarcation of the right-of-way.

Finding 7: Prior to construction, the project established numerous Community Grievance Management Committees (CGMCs), which serve as valuable conduits for individuals and communities to seek solutions to project-related concerns. To carry out their duties fully, some CGMCs need additional training, empowerment, and financial support.

Participatory approaches to giving communities a voice in project design, siting, and livelihood support can be effective in promoting sustainable development. In the KJE project, CGMCs provide communities with a forum to liaise with the sponsor and an accessible grievance redress process.

CGMCs will be an intensively used tool, with one CGMC to be established every five kilometers along the entire length of alignment. Visits with four CGMCs (see Figure 3) revealed the valuable role that the CGMCs play in keeping community members apprised of project development, and in resolving concerns related to compensation or the alignment location. However, given the long duration of the planning stage for KJE, CGMC members as well as some community members are concerned with the timing and adequacy of compensation. CGMC members hold uncompensated, voluntary positions. Some members are experiencing financial difficulty in maintaining their positions because of the associated costs of transportation, cell phone data, and overall time commitment. Without additional 'in kind' support to CGMCs or tangible steps toward providing compensation, participation in and effectiveness of CGMCs may wane.



Figure 3: Review team meeting with a Community Grievance Management Committee on July 31, 2018. Credit: Jessica Torrens-Spence..

Recommendation:

- a. The project should offer CGMGs additional, pre-construction training on their authorities and responsibilities, and a stipend/allowance for operations.

AfDB staff comment:

“UNRA’s RAP implementation unit has presented to the joint mission training activities to CGMGs. The audit of this training and support should be part of the RAP implementation plan added in the road map.”

UNRA staff comment:

“The members of the CGMGs know their roles and responsibilities. CGMC are given in-kind support in form of books, pens, grievances log books to facilitate their operations. Provisioning of a stipend/allowances to CGMGs was not considered a sustainable option. It is appropriate that all CGMGs on UNRA projects are treated equally/uniformly.”

USAID response to AfDB and UNRA staff comments:

The success of the RAP hinges on effectiveness of the CGMGs. USAID urges the audit to evaluate the likely benefits of providing CGMGs with a stipend/allowance or other form(s) of support to ensure that they function as intended.

Post-Visit Developments

A preliminary version of the preceding findings and recommendations was disclosed in September 2018 to inform public discussion and U.S. government deliberations about the KJE project. Deliberations involved the Environmental Protection Agency as well as the Departments of State, Commerce, and the Treasury.

On October 31, 2018, the AfDB Board of Executive Directors voted to approve a \$229.5 million sovereign loan to the GoU for Phase I. The United States, informed in part by a draft of this report, abstained from the vote based on its determination that the project did not meet the U.S. legal requirement for indirect impact assessment under the Pelosi Amendment. That determination is consistent with Findings 1 and 2, above.

On June 5, 2019, USAID provided a subsequent draft of this report to project proponents. Between June 24 and July 8, 2019, AfDB, IFC, and UNRA submitted project updates and technical edits, which have been incorporated. AfDB and UNRA also submitted comments, which are quoted following each USAID recommendation, above.

On October 14, 2019, the AfDB Uganda Midterm Review Country Strategy Paper 2017-2021 and 2019 Country Portfolio Performance Review was approved on a lapse-of-time basis. It echoes the AfDB’s justification for the KJE project: “Uganda’s competitiveness largely depends on seamless connectivity to its neighbours and to global markets

through efficient regional transport corridor.”²⁰ It also reports the status (as of April 2019) of six road sector projects and the challenges they have faced.²¹ One project is noted to have “experienced significant procurement delays due to compliance complaints and whistleblowing.” Two other projects are described as being “significantly delayed due to i) delays in land acquisition, ii) procurement delays including disputes and iii) contractor facing shortfall in liquidity leading to slow work progress with less than 30% [of the financing] disbursed” five or more years after project approval. Despite these delays, the document states that the latter two projects are expected to meet their deliverables and deliver on the sector objective.

²⁰ African Development Bank. *Uganda Midterm Review Country Strategy Paper 2017-2021 and 2019 Country Portfolio Performance Review*. Page 5. Dated October 2019. Expected to be uploaded to the Uganda portion of the Country Strategy Papers webpage, which is available here: https://www.afdb.org/en/documents/project-operations/country-strategy?field_keywords_tid=357.

²¹ Ibid, page 11.

Annex I List of Consultations

United States government

- Agency for International Development
 - Bureau for Economic Growth, Education and Environment – Washington
 - Bureau for Africa – Washington
 - Uganda Mission – Kampala
- Department of State
 - Bureau of Economic and Business Affairs – Washington
 - Bureau of Oceans and Environmental and Scientific Affairs – Washington
 - Ambassador to Uganda – Kampala
- Department of the Treasury
 - Office of Development Results and Accountability – Washington
 - Office of the Executive Director to African Development Bank – Washington
- Department of Agriculture
 - Forest Service – Kampala

Multilateral development organizations

- African Development Bank – Abidjan, Nairobi, and Kampala
- World Bank – Kampala and Nairobi
- International Finance Corporation – Nairobi

Government of Uganda

- Uganda National Road Authority – Kampala
- National Environment Management Authority – Kampala
- National Forest Authority – Kampala, Namanve, and Mabira
- Ministry of Gender, Labour and Social Development – Kampala
- Ministry of Works and Transport – Kampala

Project-affected people

- AfDB-created KJE Community Grievance Management Committees (4)
- Individuals present along the KJE alignment

Civil society organizations

- International, national, and local environmental, women's, and community development organizations (11)

Private sector

- The Rainforest Lodge – Mabira
- Tea estate owner – Mabira

USAID projects

“Better Outcomes for Children and Youth Empowerment” project, implemented by Bantwana – Jinja

“Regional Health Integration to Enhance Services in East Central Uganda” project, implemented by University Research Council – Jinja

Annex 2 Gender Interventions, Recommendations, and Tools²²

Donors and Multilateral Development Banks

- Require borrowers/clients to undertake a gender analysis of the impacts of large-scale infrastructure projects as part of their baseline studies;
- Request evidence of effective participatory, gender-responsive consultation for the identification of design alternatives, including through impact and benefits assessment and mitigation measures;
- Provide guidance on how to analyze impacts from a gender perspective and incorporate them into the overall project planning and implementation;
- Provide resources or access to financing for implementation of mitigation measures required for gender-responsiveness;
- Include gender indicators in the monitoring and evaluation of large-scale infrastructure projects and attach penalties for lack of compliance with the gender-responsive activities identified as part of the gender analysis of the project; and
- Require large-scale infrastructure projects they invest in to include GBV considerations throughout the project cycle, including the development of reporting mechanisms for when GBV does occur.

Policymakers

- Undertake comprehensive gender-responsive consultations with civil society and host communities before deciding on policies;
- Require and enforce gender-responsive approaches for baseline and impact assessments of large-scale infrastructure projects and their resettlement plans;
- Ensure project-related public consultations, as well as social and environmental impact assessments, are transparent and inclusive of civil society organizations, including environmental and women's groups; and
- Have a gender expert review impact assessments of large-scale infrastructure projects;
- Track enforcement of mitigation measures using gender indicators and sex-disaggregated data collection methods.

Public Sector

- Include gender-related clauses in assessments for large-scale infrastructure projects financed by the public sector;
- Ensure that project investors and developers include GBV considerations in the project cycle; and
- Ensure that private companies that implement projects comply with the gender and social elements identified during assessments.

²² This list is derived from the *Making the Case for Gender Equity in Large-Scale Renewable Energy and Infrastructure Development* Brief and has been lightly edited to match the context of this report. The original text of this Brief and all Briefs in the USAID Advancing Gender in the Environment series are available at <http://genderandenvironment.org/energy>.

Private Sector

- Hire a gender expert as part of the environmental and social impact assessment team to ensure impacts of projects on women are identified and managed and that women's perspectives are included;
- Ensure that project management incorporates and delivers on recommended gender-responsive mitigation measures;
- Ensure that resettlement action plans include:
 - Measures for female-headed households
 - Equal access to compensation for women
 - Joint titling and/or cash compensation requirements of both spouses' signature for access to bank accounts
 - Availability of health services at the point of relocation, including necessary facilities for maternal health
 - Use of monitoring indicators and evaluation questions related to how women's needs have been addressed in resettlement implementation;
- Set targets for inclusion of women in all levels and fields in the workforce, and promote women to remain in the workforces, including through the design of flexible working opportunities, mentoring and sponsorship programs, professional development and training;
- Ensure sufficient resources for implementation of mitigation measures required for gender responsiveness;
- Utilize gender-responsive grievance redress mechanisms, using tools and channels that women in the project area have access to and may use;
- Include gender indicators in the monitoring and evaluation of large-scale infrastructure projects;
- Ensure that GBV considerations are included in the project cycle to prevent these types of violence including--but not limited to--sexual harassment during construction; and
- Develop appropriate reporting mechanisms for when GBV does occur.

Civil Society

- Increase awareness and engage public opinion to ensure large-scale infrastructure projects are implemented in a manner respectful of gender equality and human rights;
- Use social media, phone and other communication platforms used by women to provide information and to voice concerns and opinions;
- Demand inclusive consultation processes and gender-responsive mitigation and compensation strategies;
- Document and disseminate good practices where large-scale infrastructure projects have been respectful of gender equality and human rights; and
- Denounce large-scale infrastructure projects that are detrimental to gender equality, indigenous peoples and human rights.

Annex 3 Formal Response from AfDB

“We have reviewed the report prepared by a USAID mission on the Kampala-Jinja Expressway Project and note that most of the observations and recommendations re-inforce the shared goal to ensure sound environmental and social compliance on the project. We also concur with USAID’s position which encourages project sponsors and other stakeholders to consider the findings and recommendations and to seek opportunities to learn from Phase 1 and apply lessons to the design—and, especially, the assessment of indirect and cumulative impacts—of Phase 2.

The USAID report also highlights some positive outcomes expected from the project, including the fact that the project will create job opportunities, with the combined Phases 1 and 2 expected to generate up to 1,500 jobs during construction and 250 jobs during operations, most of which are expected to be filled by Ugandans.

In addition to the above:

- (i) We do concur with the need to conduct studies for ancillary facilities such as quarries, borrow pits, and an asphalt plant, among others. However, as rightly indicated, normally these are conducted by concessionaires once they have been procured ahead of the actual works phase. Such studies will assess the risks of a project’s ancillary infrastructure—including alternatives and indirect and cumulative impacts which will depend on the nature of selected sites for the required road construction materials and inputs. These additional studies should also cover other types of ancillary infrastructure, such as labor accommodation camps, and asphalt plant(s), among others.
- (ii) We also concur with the recommendation that during the Request for Proposals from private sector concessionaires, the need to meaningfully consult stakeholders when evaluating the direct, indirect, and cumulative environmental and social risks associated with ancillary infrastructure should be emphasized. Indeed, we reiterate, as in our earlier communications, that it is normal practice to require implementing entities to develop implementation-phase and site specific ESMPs once such entities have been identified. Therefore, once the private partner has been identified, the AfDB will work with UNRA to ensure that the private partner develops the site-specific ESMPs on any ancillary facilities related to project implementation before such facilities can be used.
- (iii) Regarding the need to address sexual exploitation and abuse (SEA) through development of a SEA Action Plan, the project team will seek to pursue this with the relevant Bank department in charge of gender mainstreaming within the framework of the already established gender mainstreaming tools.

- (iv) We do concur with the need to ensure timely compensation of project affected persons, especially in view of loss of income and livelihood opportunities associated with delayed compensation. We shall further follow up on the findings of the [AFD-commissioned] RAP Implementation Audit, which indicated that there is currently no livelihood restoration expert nor officers within UNRA's team to oversee RAP implementation. We shall liaise with UNRA to ensure this gap is addressed going forward.
- (v) Given the urban and peri-urban nature of the project area, and the dense population therein, there is a likelihood of high interaction with communities both negatively and positively. We do support the recommendation on the need to establish Community Grievance Management Committees (CGMC) at various locations of the project. The need for development and elaboration of a Stakeholder Engagement Plan will further compliment the work of the CGMCs. In addition, to facilitate strengthened community engagement, we shall encourage UNRA to explore opportunities for extending the set of service providers beyond the international CSOs to include local CSOs which are more familiar with the local setting and its challenges.
- (vi) We do take note of the issues regarding the need for clearer definition of the project's total area of influence. We shall closely liaise with the client UNRA to evaluate any project risks within the scope of the overall project area of influence, taking into consideration the project detailed design scope.

Finally, we thank USAID for sharing the report and look forward to continued collaboration.”